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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 08/16/07

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hurdles to defense secrets protection yet to be overcome

#### Articles:

1) Yen loans worth 40 billion yen to be extended to India: Prime minister to reach agreement during his visit to the nation starting on Aug. 21; Construction projects for water supply, power transmission systems

YOMIURI (Top Play) (Excerpts)  
August 16, 2007

The outline of a set of assistance measures intended to strengthen bilateral ties with India was revealed yesterday. The governments of Japan and India are expected to reach agreement on the package when Prime Minister Abe visits India starting on Aug. 21. The package contains approximately 40 projects covering six fields, including a new exchange project, economic assistance and cooperation in the environmental area. The package will be provided in fiscal 2007 based on a stance that strengthening ties with India important for Japan's security policy, with an eye on China's moves in the region, and the development of the Japanese economy itself. The Japanese government with this package will actively support India's plan to build industrial infrastructure, linking Delhi in northern India and Mumbai in the western part. The two governments will also release a joint statement of cooperation on measures to address climate change.

#### Forty cultural and academic exchange programs

During his stay in India Aug. 21-23, the prime minister will have a summit meeting with Prime Minister Singh. He also will take part in cultural exchange events.

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The governments of Japan and India have characterized 2007 as a year of Japan-India exchanges. Six areas of bilateral relations will be strengthened by Abe's visit: (1) culture, performance art; (2) academic, personnel exchanges; (3) tourism; (4) economy and industry; (5) environment and energy; and (6) economic cooperation.

As economic and industrial cooperation, Japan support a main artery plan to build industrial infrastructure, including the construction of roads and port and harbor facilities, in a corridor approximately 1,400 kilometers long between Delhi and Mumbai. Japan hopes that the consolidation of infrastructure will make it easier for Japanese companies to make inroads into India. To this end, the government will extend yen loans totaling approximately 39.6 billion yen to finance two projects: a power transmission and transformation network consolidation program planned for Maharashtra and water supply service and sewer system construction program to be implemented in Goa in western India.

Major projects aimed at strengthening ties between Japan and India, which Prime Minister Abe plans to announce

(Culture, performing art) - Comic storytelling called "rakugo" performance in New Delhi

(Academic, personnel exchanges) - Roundtable conference between Japanese and Indian university presidents

(Tourism) - Increase the number of tourists coming and going between the two countries to 300,000 from the present number by 2010 and to 500, 000 by 2015.

(Economy and industry) - Promote the Delhi-Mumbai main industrial artery development program, including the building of roads and port and harbor facilities

(Economic cooperation) - Yen loans worth approximately 39.6 billion yen for two domestic infrastructure building programs, including water supply service and sewer system construction

2) Japan groping for expanded involvement in Middle East diplomacy

Foreign Minister Aso, currently visiting the Middle East, held a four-party cabinet-level meeting with representatives from Israel, the Palestinian autonomous region, and Jordan. The meeting was held in Jericho in the Palestinian autonomous region on the West Bank of Jordan on the afternoon of Aug. 15, local time. In the meeting, Aso obtained their agreement for the Japan-proposed initiative, "Concept for Creating the Corridor for Peace and Prosperity." Japan is eager to play a certain role to help promote confidence building between Israel and the Palestinians, but there is still a long way to go before such an initiative can be realized.

Foreign Minister Aso told Israeli Prime Minister Ehud Olmert when they met on Aug. 14: "We will take an approach to this issue not from the military or political area but on the economic front." The concept is designed for Japan, which aims to expand its involvement in the Middle East in a different form from the US and Europe, to provide economic support to help promote the peace process in the

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region, utilizing its experience of postwar reconstruction.

Whether the concept is put into action or not depends on moves by the Israeli government. That government outwardly welcomes the concept, as Foreign Minister Tzipi Livni said: "It is necessary to give hope to Palestinian moderates in the economic area." But Livni said in a joint press conference with Aso on Aug. 14: "Political outlooks (such as the establishment of a Palestinian state) should be discussed at bilateral talks between Israel and the Palestinians." Against Japan's desire to expand its involvement in the Middle East peace process, the Israeli foreign minister defines Japan's concept not as the "main plot" but as the "sub-plot."

No prospects are in sight for progress in peace negotiations. Prime Minister Olmert, who failed to deal properly with the Lebanon issue, has seen his support rate at a low level and his political standing weakening. On the Palestinian side, as well, its territories are divided into two, with the West Bank of Jordan under the control of Chairman Abbas and the Gaza Strip effectively controlled by Hamas, an Islamic radical group. Japan's concept calls for the construction of an agro-industrial park in the West Bank. But even if such a park is constructed, people might not be able to go to work there even if they wish, because the Israeli military bans the Palestinians in the autonomous territories from freely moving to other places for security reasons. The Israeli media pay attention to the proposed resumption of aid to the Palestinian Authority government as the star item of Foreign Minister Aso's visit, hardly focusing on the corridor concept.

The Palestinian side also highly evaluated in the four-way talks highly expressed expectation that the Japanese concept would lead to its economic development.

3) Defense Minister Koike to visit Pakistan, India

YOMIURI (Page 4) (Full)  
August 16, 2007

The Defense Ministry announced yesterday that Minister Koike would leave on Aug. 21 for Pakistan and India. She will be the first Japanese defense minister to visit Pakistan. She is expected to return home on the 25th.

Koike is expected to meet with Pakistani President Pervez Musharraf and Prime Minister Rao Sikandar Iqbal and tell them the Japanese government will do its best to extend the Antiterrorism Special Measures Law in the extraordinary Diets session in the fall.

In India, she plans to meet with Defense Minister A.K. Anthony and other leaders to discuss the promotion of defense exchanges.

4) Discord between Kantei, defense minister over appointment of vice minister: Prime minister takes wait-and-see attitude, showing

further decline in his leadership

TOKYO SHIMBUN (Page 2) (Full)  
August 16, 2007

Defense Minister Yuri Koike hoped to obtain approval for the replacement of Vice Defense Minister Takemasa Moriya at a cabinet meeting yesterday. But it was decided instead that a new vice minister would not be selected until after the cabinet reshuffle on

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Aug. 27. Discord between the Prime Minister's Official Residence (Kantei) and the defense minister over which side will take the political lead has worsened. Prime Minister Abe's wait-and-see attitude has increasingly underscored his lack of leadership.

During a press conference after the cabinet meeting yesterday, Koike strongly rebutted Chief Cabinet Secretary Yasuhisa Shiozaki for his criticism of her for her attempted personnel action: "I have done nothing wrong in terms of procedure."

The procedure, as mentioned by Shiozaki, means personnel changes must be reviewed by a council consisting of four Kantei officials: the chief cabinet secretary and three deputy cabinet secretaries. Appointments of personnel ranking above bureau directors general of all ministries and agencies require prior screening by that council. Koike reportedly failed to fully set the groundwork with Shiozaki and others, being in a rush to replace the vice minister before the cabinet shuffle.

The personnel review council was launched during the Hashimoto cabinet. Shiozaki during a press conference on Aug. 15 deliberately explained the meaning of the council, "It is a new democratic device introduced to give the cabinet, Kantei and politicians the lead in personnel appointments." He then made a sarcastic comment, "I believe Defense Minister Koike should be aware of that."

Koike takes pride in politically-guided personnel appointments and said, "It is the role of the defense minister to clarify the will of the Defense Ministry, which has jurisdiction over the Self-Defense Forces." Some cabinet ministers supported this stance of Koike, with Finance Minister Omi yesterday noting, "I would like the responsible person (cabinet minister) to appoint the vice minister, based on logic."

However, regarding teamwork with the Kantei, Koike said, "I always give an overall report to the prime minister." It appears certain that the cause of the hurly-burly this time is that she has undergone coordination of the issue, bypassing Shiozaki.

Facing a situation like this, Prime Minister Abe yesterday simply noted, "Defense Minister Koike is naturally responsible for her ministry." He did not even give an indication he would intervene in the issue.

Some LDP lawmakers harshly criticized the prime minister for a series of commotions, with former Secretary General Koichi Kato saying, "This is too much to tolerate. This is another typical example of another blunder by the prime minister in his personnel appointments."

5) Prime Minister Abe continues ambiguous strategy; forgoes visit to Yasukuni Shrine, angering conservative forces

YOMIURI (Page 2) (Excerpts)  
August 16, 2007

Prime Minister Shinzo Abe offered flowers at the Chidorigafuchi National Cemetery and attended a national memorial service for the war dead the government hosted yesterday on the 62nd anniversary of the end of World War II. But he forwent a visit to Yasukuni Shrine. Sanae Takaichi was the only Abe cabinet minister to pay homage at the Shinto shrine, the lowest number of cabinet ministers visiting

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the shrine in two decades. Abe's stance of refraining from visiting Yasukuni appears to be delicately affecting a number of areas.

The prime minister's "ambiguous strategy" of forgoing shrine visits has been successful in repairing relations with China, which had deteriorated under Prime Minister Junichiro Koizumi. A government source said: "If the prime minister had visited Yasukuni, he wouldn't be able to visit China this fall." Political observers view that Abe's decision to forgo a visit to Yasukuni will great contribution to Japan's diplomacy.

However, conservative supporters of Abe have begun expressing their displeasure with his stance of continuing his self-constraint. A group of 73 such conservatives with close ties to Abe, including Kyoto University Prof. Terumasa Nakanishi, sent a letter on Aug. 13 calling on the prime minister to visit Yasukuni on the 15th. Lawmaker Yoshinobu Shimamura, who heads the group, criticized Abe, saying: "He doesn't seem to be himself. He should have visited the shrine."

6) State Minister Takaichi visits Yasukuni Shrine, stressing that the visit was made in a private capacity

TOKYO SHIMBUN (Page 2) (Full)  
Augusts 16, 2007

Of 16 ministers of the Abe cabinet, only State Minister in Charge of Okinawa and Northern Territories visited Yasukuni Shrine on Aug. 15, which marked the day commemorating the end of WWII.

After visiting the shrine, Takaichi told reporters, "I thanked those who dedicated their invaluable lives to the state and prayed for a peaceful rest for the souls." To a question whether she made the visit in a private or official capacity, she stressed that she visited the shrine in a private capacity, noting, "I visited there as an individual Japanese."

Commenting on Takaichi's Yasukuni visit, Prime Minister Abe, who refrained from visiting the shrine, noted, "Ms. Takaichi visited the shrine, based on her own judgment. Cabinet ministers are free to visit the shrine."

7) Families of war dead picking up speed of debate on enabling emperor to visit Yasukuni Shrine even by removing enshrined souls of Class-A war criminals

MAINICHI (Page 5) (Slightly abridged)  
August 16, 2007

Whether (the prime minister) would visit Yasukuni Shrine on Aug. 15 becomes a controversial issue every year. As measures to avoid such a situation, some are calling for removing the enshrined souls of Class-A war criminals from Yasukuni Shrine, a proposal made in May of last year by former Liberal Democratic Party Secretary general Makoto Koga, chairman of the Japan War-Bereaved Association. Yasukuni Shrine has rejected this suggestion, but Koga insists that it should be done to make it possible for the emperor to be able to pay tribute to the war dead without feeling uncomfortable. There has been no imperial visit to the shrine either by the Emperor Showa and the current emperor for the past 32 years. An association managing director expressed a sense of alarm about the current situation, saying: "Our members are getting older. We must do something before

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they lose their voice."

A study group - composed of 14 leading association members to discuss the idea of removing Class-A war criminals from Yasukuni - held its first meeting this May. Many members believe that since the souls of Class-A war criminals are enshrined there, it is impossible for the emperor to visit the shrine. But some leading association members, including Vice Chairman Hidehisa Otsuji, remained cautious before the July Upper House election about holding a full-scale discussion on the matter, as one member said: "The association might split over the issue."

Otsuji won a fourth term in the proportional representation segment of the Upper House election in July. It is now definite that he will be appointed to chair the LDP Upper House Caucus. A leading association member in favor of separate enshrinement said: "(With the election of Otsuji,) discussion on the matter will be put on track at last."

Although discussion will start in September, a majority of the 14 members have already expressed support for the separate-enshrinement idea.

The association's predecessor, the Japan War-Bereaved Welfare Association, was established in 1947. It was an overwhelmingly huge organization, called an association of 8 million bereaved families. The group continued to field its candidates on the LDP ticket in the proportional representation portion, and the candidates were all elected.

These Upper House members requested increasing survivors' pension benefits, placing Yasukuni Shrine under state protection in the 1960s, and allowing the prime minister's annual visit to the shrine in the mid-1970s, working together with Yasukuni Shrine.

Regarding the separate-enshrinement idea, the association noted in its special committee report issued in commemoration of the 60th anniversary of the end of the war: "A judgment should be made by Yasukuni Shrine," but the atmosphere in it has changed since notebooks and memos showing the Emperor Showa's displeasure at the enshrinement of the souls of Class-A war criminals at Yasukuni were found in succession last summer.

The wives of fallen soldiers are their late 80s. The number of members has also decreased to less than one million. Another managing director said: "I had never thought of removing Class-A war criminals from the shrine. But now I am uncertain. We must discuss the matter for a year or two, if we do. If we do nothing, the situation will never change."

8) Posts of special advisors to the prime minister to be kept, but post of special advisor on national security to be abolished, while special advisor on pension issue to be created

NIKKEI (Page 2) (Full)  
August 16, 2007

Prime Minister Shinzo Abe decided yesterday to keep intact the special prime ministerial advisor system, which has been criticized for not functioning well, even after the cabinet is reshuffled he plans on the 27th. He has also started looking for a possibility of establishing the post of special advisor on the pension issue. The

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expectation is that the post of special advisor on national security, which has been vacant since Yuriko Koike was appointed as defense minister, will be scrapped. Abe thinks that this advisory post has concluded its role.

Under the present Cabinet Law, the prime minister is allowed to set up five or less special advisor posts. Last September when Abe launched his government, he created five such posts: national security; economic and fiscal policy; the abduction issue; education; and public relations.

The prime minister intends to strengthen efforts to deal with the missing pension premiums fiasco, by creating a special advisor post on the pension issue, which would play a "bridging" role between relevant ministries and agencies.

The special advisor on national security was set up in order to study the establishment of a Japanese version of the US' National Security Council (NSC). The post, however will be abolished Abe shuffles his cabinet, since the government has already submitted to the previous regular Diet session a bill to establish a national security council.

There are objections in the ruling camp that role-sharing between the special advisors and cabinet ministers is not clear and that nobody knows what they are doing. Some lawmakers are unhappy with the fact that Abe picked lawmakers who have close ties with him as special advisors. In consideration also of those who are critical of him, Abe plans to select a new set of advisors.

9) GSOMIA with US: Still legislative hurdle to clear; penalties inconsistent

SANKEI (Page 5) (Abridged)  
August 16, 2007

The Japanese and United States governments have signed a General Security of Military Information Agreement (GSOMIA) in order to prevent the leakage of defense secrets, setting up a unified standard for the protection of classified information. With the signing of the agreement, it would seem that sharing of intelligence between the two governments can now move forward. However, there are many hurdles yet to overcome, including the passage of legislation to protect secrets.

The US has signed GSOMIAs with over 60 countries, centering on NATO countries, such as Britain and France. Although the US had wanted to sign a similar pact with Japan, the Japanese government was cautious due to deep-seated public opposition toward passing stronger legislation to protect secrets.

However, the mood for signing such a pact improved with the strengthening of relations between the Self-Defense Forces (SDF) and the US armed forces through the passage of the regional contingency law that allowed cooperation between Japan and the US during an emergency in Northeast Asia.

Despite that, the stiffening of penalties for leaking secrets, which the US has insisted on, is being delayed, and the GSOMIA has started under the current legal framework (SDF Law, National Civil Servants Law, etc.). Under existing laws, the penalties are inconsistent, ranging from one year to ten years, depending on the law. An

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advisory panel in February, in pointing this out, called for legislation to protect secrets. The US' legislation to protect secrets is broad in scope and includes civilians. The penalties are

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much stiffer than Japan's.

MESERVE